Comptroller

9 AUG 1957

Chief, Budget Division

Simplified Allotment Accounting for WH Division

REF   : a.   Memorandum dated 27 June 1957 to Comptroller
                 from Chief, WH Support, same subject

           b.   Memorandum from Chief, WH to Comptroller, same subject

1. The proposal in reference a., as revised in reference b., on the above subject has been reviewed carefully and has merit in that it will help reduce paper work and permit the Chiefs of Field Stations to make fund adjustments between projects, subject only to the limitations in individual project authorizations and country allotments.

2. I do not concur in the proposal, however, without the concurrence of the PRC and approval of the DCI. The regulations on the approval of programs and projects authorize the Comptroller to issue allotment advices for approved projects. It is my interpretation that the Comptroller is responsible for monitoring compliance with DCI and PRC approvals on each project and that expenditures, obligations and allotments for each project shall be recorded in the Finance Division as the official Agency accounting record. The subject proposal does not conform to this requirement.

3. As an integral element of the change which is being proposed, it is believed that the rigidity of controls on projects should be changed which would officially recognize the operational need for Chiefs of Stations to use available authorizations (i.e., allotments) to carry out the objectives of approved projects. The proposal does not include a provision for such an adjustment which is considered essential to a trial of the proposed changes.

4. If the subject proposal, including the change suggested in paragraph 3, is presented to the PRC and approved, I would, of course, remove my objection.

5. In order to facilitate the clearance and approval of the proposed procedure, it is suggested that WH process a staff study requesting PRC action. If this suggestion is acceptable, the Budget Division has a draft proposal that could be discussed with WH.

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